STORAGE TRANSPORTATION SERVICE

STS TOLL SCHEDULE

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1. AVAILABILITY

1.1 Any Customer shall be eligible to receive service pursuant to this Storage Transportation Service ("STS") Toll Schedule, provided such Customer:

(a) has entered into a Firm Transportation Service Contract(s) (the "FT Contract(s)") or a Multi-Year Fixed Price Service Contract(s) (the "MFP Contract(s)") with TCPL with a receipt point at Empress, Alberta or in the province of Saskatchewan and such FT Contracts or MFP Contracts have been identified in Customer's STS Contract;

(b) has entered into a STS Contract having a minimum term of one (1) year with TCPL incorporating this Toll Schedule and providing for transportation service between the delivery point in the FT Contract(s) or MFP Contract(s) (the "Market Point") and the Storage Injection Point(s), and between the Storage Withdrawal Point and the Market Point;

(c) has not executed a STS-L Contract with the same Market Point as specified in the STS Contract;

(d) has its own gas storage facilities, or has entered into a gas storage contract with any company having gas storage facilities which are connected by gas transmission pipeline facilities to TCPL's gas transmission system at the Storage Injection Point(s) and the Storage Withdrawal Point located downstream of the Alberta/ Saskatchewan border;

(e) has entered into a gas transportation contract(s) with the company(ies) operating gas transmission pipeline facilities connecting the gas storage facilities with TCPL's gas transmission system at the Storage Injection Point(s) and Storage Withdrawal Point (the "other Transporters"); and

(f) has provided TCPL with financial assurances as required by TCPL pursuant to Section XXIII of the General Terms and Conditions referred to in Section 7 hereof.

1.2 **Facilities Construction Policy**

In order to provide service pursuant to this STS Toll Schedule, TCPL utilizes capacity available from its own gas transmission system, from TCPL's firm transportation service entitlement on Other Pipelines, and through other agreements with other parties (the "Combined Capacity"). If a request for service pursuant to this STS Toll Schedule (the "Requested Service") requires an increase to the Combined Capacity, TCPL is prepared to use all reasonable efforts to enable it to increase the Combined Capacity to the extent necessary provided that:

(a) there is reasonable expectation of a long term requirement for the increase in the Combined Capacity;

(b) the Contract term shall be as specified in Section 5.1 of TAPs from the New Service Start Date as defined in Section 1.1 of TAPs;

(c) the CER approves the additional facilities and/or transportation services necessary to increase the Combined Capacity; and

(d) the availability provisions of Section 1.1 hereof are satisfied with respect to the Requested Service.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 On each day during the term of the STS Contract, Customer shall be entitled to request service hereunder by placing a nomination with TCPL. Nominations shall be made pursuant to Section XXII of the General Terms and Conditions referred to in Section 7 hereof. Service hereunder shall not be subject to curtailment or interruption except as provided in Section 2.3 hereof and in Sections XI, XIV, and XV of the General Terms and Conditions.

Subject to the foregoing, TCPL shall provide firm transportation service hereunder consistent with the provisions of the General Terms and Conditions; PROVIDED HOWEVER, that

(a) deliveries hereunder by TCPL to Customer on any day at the Storage Injection Point(s) shall not exceed the difference between the total of the Contract Demands

under the FT Contracts or MFP Contracts and the total quantities delivered on such day to Customer under the FT Contracts or the MFP Contracts at the Market Point; and

(b) if there is more than one Storage Injection Point under Customer's STS Contract and these Storage Injection Points are also included under any other Customer's STS and/or STS-L Contracts, deliveries on any day to Customer at each such Storage Injection Point shall be Customer's pro rata share of the total STS and STS-L deliveries at each such Storage Injection Point for all STS and STS-L Customers on such day determined on the basis of the fraction which Customer's STS nomination bears to the total of the STS and STS-L nominations of all STS and STS-L Customers, unless TCPL, Customer and all the other STS and STS-L Customers at each such Storage Injection Point otherwise agree.

2.2 For the purpose of the application of the provisions of Sections II, III, and IV of the General Terms and Conditions to service hereunder:

(a) when Customer requests transportation service hereunder for delivery at the Storage Injection Point(s), the terms "delivery point", "receipt point", and "Customer's Authorized Quantity" in TCPL's General Terms & Conditions shall mean herein, respectively, the 'Storage Injection Point(s)', 'the Market Point', and 'the quantity of gas which Customer requests and TCPL has agreed to deliver to the Storage Injection Point(s) subject to Section 2.1 hereof (the "Daily Injection Quantity")';

(b) when Customer requests transportation service hereunder from the Storage Withdrawal Point to the Market Point, the terms "delivery point", "receipt point", and "Customer's Authorized Quantity" in the General Terms and Conditions shall mean, respectively, 'the Market Point', 'the Storage Withdrawal Point', and 'the quantity of gas which Customer shall cause to be delivered by the other Transporter to TCPL at the Storage Withdrawal Point (the "Daily Withdrawal Quantity")'; and

(c) if the STS Contract specifies a Storage Withdrawal Point located upstream of the Market Point, the STS Contract shall set out a Contract Demand in respect of transportation from the upstream Storage Withdrawal Point to the Market Point or;

if the STS Contract specifies Storage Injection Point(s) located downstream of the Market Point, the STS Contract shall set out a Contract Demand in respect of transportation from the Market Point to the downstream Storage Injection Point(s).

TCPL shall not be obligated to transport, on any day, a quantity of gas under the STS Contract in excess of the applicable Contract Demand.

2.3 Deliveries requested by Customer hereunder in excess of Customer's Contract Demand under the STS Contract shall only be made by TCPL on a best efforts basis and TCPL, in its sole discretion, may curtail or interrupt these excess deliveries and the corresponding Customer's Authorized Quantities at any time.

2.4 Notwithstanding any other provision hereof, the Daily Injection Quantity shall be deemed to be delivered on such day at the Market Point, and Customer shall pay for such quantities pursuant to the FT Contracts or the MFP Contracts. Such payment shall be in addition to all payments hereunder.

3. MONTHLY BILL

3.1 The monthly bill payable by Customer to TCPL for service hereunder shall include the aggregate of the demand charge for transportation service, the Abandonment Charge plus, where applicable, a delivery pressure charge, the Union Dawn Receipt Point Surcharge, an overrun charge, an excess withdrawal charge, and the Rate Rider Charge or Credit in effect during the billing month and shall be calculated by applying the applicable tolls as approved by the CER (as set forth in the List of Tolls referred to in Section 7 hereof), as follows:

(a) **Demand Charge**

For each month of a Contract Year, the demand charge for transportation service hereunder shall be equal to the applicable Monthly Demand Toll multiplied by Customer's Contract Demand. The said demand charge is payable by Customer notwithstanding any failure by Customer during such month, for any reason whatsoever, including an event of force majeure, to receive or deliver Customer's full Contract Demand.

(b) **Delivery Pressure Charge**

A delivery pressure charge shall be due if a portion or all of Customer's Daily Injection Quantity or Daily Withdrawal Quantity for such month was delivered at any point(s) having a delivery pressure charge for deliveries thereto. The monthly delivery pressure charge at each such point having a delivery pressure charge shall be the product of the applicable Delivery Pressure Toll (expressed in $/GJ) and the total of such quantities delivered at that point during such month. The total monthly delivery pressure charge shall be the sum of the monthly delivery pressure charges at all applicable points.

(c) **Union Dawn Receipt Point Surcharge**

Each month, Customer shall pay the Union Dawn Receipt Point Surcharge for service from the Union Dawn receipt point.

(d) **Overrun Charge**

For excess deliveries made pursuant to Section 2.3 hereof, Customer shall pay to TCPL the sum of:

(i) a charge determined by multiplying the applicable Daily Demand Toll by the total of such excess deliveries for such month;

(ii) an Abandonment Charge determined by multiplying the applicable Daily Abandonment Surcharge by the total of such excess deliveries for such month; and

(iii) a charge or credit determined by multiplying the applicable Daily Rate Rider by the total of such excess deliveries for such month.

(e) **Excess Withdrawal Charge**

(i) The "Daily Excess Withdrawal Quantity" shall mean, for any Day, the quantity by which Customer's cumulative Daily Withdrawal Quantity, determined from the Date of Commencement (as defined in the STS Contract) exceeds the sum of the cumulative Daily Injection Quantity from

the Date of Commencement, the cumulative Daily STFT Quantity from the Date of Commencement, the cumulative Daily IT Quantity from the Date of Commencement, and the cumulative Daily Diversion Quantity from the Date of Commencement, provided however:

a. for STS Contracts entered into before January 1, 2005, the cumulative Daily Withdrawal Quantity, the cumulative Daily Injection Quantity, the cumulative Daily STFT Quantity, the cumulative Daily IT Quantity, and the cumulative Daily Diversion Quantity shall each be deemed to be zero GJ effective April 1, 2003, April 1, 2004, or April 1, 2005 as elected in writing by Customer to TCPL. Customer shall have deemed to have elected April 1, 2003 if TCPL has not received such election by May 1, 2005; and

b. Customer's cumulative Daily Withdrawal Quantity shall not include any Daily Excess Withdrawal Quantities from any previous day.

Where:

"Daily STFT Quantity" shall mean the quantity of gas that is delivered each Day by the STS Customer pursuant to such Customer's STFT Contract from the Market Point to the Storage Injection Point;

"Daily IT Quantity" shall mean the quantity of gas that is delivered each Day by the STS Customer pursuant to such Customer's IT Contract from the Market Point to the Storage Injection Point; and

"Daily Diversion Quantity" shall mean diversion to the Storage Injection Point by Customer pursuant to FT Contracts or the MFP Contracts and diversion by Customer pursuant to any other Firm Transportation Service Contracts having a receipt point that is Empress or a receipt point in the province of Saskatchewan and have a delivery point which is the same as the Market Point in the Customer's STS Contract.

On any Day, the sum of the Daily STFT Quantity and the Daily IT Quantity shall not exceed the Customer's pro-rata share of the total Contract Demand, on that Day, of FT Contracts or the MFP Contracts that:

a) are not identified in any STS or STS-L Contract;

b) have a receipt point that is Empress or a receipt point in the province of Saskatchewan; and

c) have a delivery point which is the same as the Market Point in the Customer's STS Contract

The pro-rata share shall be based on Customer's STS Contract Demand at that Market Point, relative to the total STS and STS-L Contract Demand applicable to that Market Point.

(ii) For each month Customer shall pay to TCPL an excess withdrawal charge as follows:

a) If the STS Contract specifies a Storage Withdrawal Point located downstream of the Market Point, the excess withdrawal charge shall be:

- the total Daily Excess Withdrawal Quantity for such month; multiplied by
- 1.25 x (the Daily Demand Toll + the Daily Rate Rider) for FT service from the Storage Withdrawal Point to the Market Point; or

b) If the STS Contract specifies a Storage Withdrawal Point located upstream of the Market Point, the excess withdrawal charge shall be:

- total Daily Excess Withdrawal Quantity for such month; multiplied by
- the difference between:

(I) 1.25 x (the Daily Demand Toll + the Daily Rate Rider) for FT service from the Storage Withdrawal Point to the Market Point; and

(II) the Daily Demand Toll + the Daily Rate Rider for STS from the Storage Withdrawal Point to the Market Point.

(f) **Fuel**

For each month, a Customer shall provide, on a daily basis, a quantity of fuel in accordance with Section IV of the General Terms and Conditions.

(g) **Abandonment Charge**

Each month, Customer shall pay to TCPL an Abandonment Charge determined by multiplying Customer's Contract Demand by the applicable Monthly Abandonment Surcharge. The Abandonment Charge is payable by Customer notwithstanding any failure by Customer during such month, for any reason whatsoever, including an event of force majeure, to receive or deliver Customer's full Contract Demand.

(h) **Rate Rider Charge or Credit**

For each month, the Rate Rider Charge or Credit for transportation service hereunder shall be equal to the applicable Monthly Rate Rider multiplied by Customer's Contract Demand. The Rate Rider Charge or Credit will be applied notwithstanding any failure by Customer during such month, for any reason whatsoever, including an event of force majeure, to receive or deliver Customer's full Contract Demand.

4. MINIMUM BILL

4.1 The minimum monthly bill for service hereunder shall be the sum of the charges determined in Subsections 3.1(a), 3.1(g) and, if applicable, Subsections 3.1(b), 3.1(c) and 3.1 (h).

5. RENEWAL RIGHTS

5.1 Subject to Sections 5.3 and 5.4 and pursuant to any Contract into which this STS Toll Schedule is incorporated and which Contract has been determined by TCPL to be serving a long term market, and subject to the following conditions, Customer shall have the option (the "Renewal Option") of extending the existing term (the "Existing Term") of the Contract for a period of either (the "Renewal Term"): i) one or more annual periods ending on the same calendar date as the expiry of the Existing Term; or ii) if Customer requests a service termination date of October 31, one or more annual periods of twelve (12) consecutive full months plus the number of consecutive days necessary to extend the Existing Term to the requested October 31. Customer shall also have the option of revising the Contract Demand to a level no greater than the Contract Demand set out in the Contract (the “Renewal CD”). The Renewal Option and the Renewal CD shall be subject to the following conditions:

(a) TCPL receives written notice from Customer of Customer’s election to exercise the Renewal Option which sets out the term and Contract Demand of such renewal (the "Renewal Provisions" no less than twenty-four (24) consecutive months before the termination date which would otherwise prevail under the Contract; and

Temporary Subsection 5.1(a):

Until December 31, 2030, subsection 5.1(a) above will temporarily be suspended and will be replaced with the following subsection 5.1(a):

(a) TCPL receives written notice from Customer of Customer’s election to exercise the Renewal Option which sets out the term and Contract Demand of such renewal (the "Renewal Provisions") no less than twelve (12) consecutive months before the termination date which would otherwise prevail under the Contract; and

For clarity, this paragraph 5.1(a) is only applicable to Customer’s Contract for which the ability to exercise the Renewal Option has not previously expired prior to the effective date of this temporary subsection as a result of the application of Section 5.1 and Section 5.4.

(b) Customer supplies TCPL at the time of such notice with evidence satisfactory to TCPL that Customer will meet the availability provisions of the STS Toll Schedule in respect of the Renewal Provisions prior to the commencement of the Renewal Term.

TCPL may accept late notice of Customer's election to exercise the Renewal Option if TCPL, in its sole discretion, determines that TCPL will have the required capacity available after providing capacity for all of TCPL's obligations pursuant to prior outstanding requests from Customer and/or others, that such renewals will not adversely impact TCPL's system operations and that all of the costs for providing this service will be covered by TCPL's tolls. Contracts may be revised as of the effective renewal date to adhere to the then contract Pro Forma Storage Transportation Service Contract.

Customer may exercise the Renewal Option more than one time provided that the conditions found in this Section 5.1 and in Section 5.2 hereof are met upon each and every exercise of the Renewal Option.

5.2 Provided TCPL has either received timely notice as provided in Section 5.1(a) above from Customer of Customer's election to exercise the Renewal Option, or accepted late notice from Customer of its election to exercise the Renewal Option, and provided that Customer has met the availability provisions of the STS Toll Schedule in respect of the Renewal Provision, the Contract shall be amended as follows:

(a) the Contract Demand set out in the Contract shall be revised to the level specified in the Renewal Provisions, effective as of the commencement of the Renewal Term; and

(b) the term of the contract shall be extended to that specified in the Renewal Provision, effective as of the expiry of the Existing Term.

5.3 If at any time TCPL determines, acting reasonably, that:

(a) new or additional pipeline facilities are required to increase the Combined Capacity or capabilities of the system ("Expansion Facilities"); and

(b) the estimated cost of such Expansion Facilities will exceed $20 million;

TCPL will provide notice of a term-up requirement ("Term-up Notice") to Customer if TCPL determines Customer's Contract may impact the design of the Expansion Facilities.

5.4 Upon receipt of the Term-up Notice Customer may elect, within sixty (60) days of receipt of the Term-up Notice, to extend the Existing Term of the Contract for all or a portion of the Contract Demand for an additional period such that the new service termination date of the Contract shall be no less than five (5) years after the expected New Service Start Date (as defined in Section 1.1 of TAPs) of the Expansion Facilities. If a Customer does not elect to extend its Existing Term within such sixty (60) day period, the Customer shall no longer be entitled to renew the Contract pursuant to Section 5.1 and the Contract shall expire at the end of the Existing Term.

6. CONVERSION RIGHTS

6.1 Customer shall have the right to convert all but not a portion of Customer's STS Contracts that have the same Market Point to service pursuant to an STS-L Contract provided that TCPL has determined that the following conditions have been satisfied:

(a) Customer shall provide TCPL with at least 60 days of written notice prior to the requested conversion date, which shall be the first day of a calendar month;

(b) Customer shall execute an STS-L Contract and the Customer's STS Contract shall terminate on the Date of Commencement of the STS-L Contract;

(c) the aggregate Contract Demand, Storage Injection Point(s), Storage Withdrawal Point, and Market Point specified in Customer's STS-L Contract shall be the same as those specified in the Customer's STS Contract(s);

(d) Customer's aggregate cumulative Daily Injection Quantity plus cumulative Daily Diversion Quantity, cumulative Daily STFT Quantity, cumulative Daily IT Quantity, cumulative Daily Withdrawal Quantity, and the aggregate Daily Excess Withdrawal Quantity pursuant to the STS Contract(s), each determined in accordance with Subsection 3.1(e), shall be deemed to be, respectively, the cumulative Daily Injection Quantity, cumulative Daily STFT Quantity, cumulative Daily IT Quantity, cumulative Daily Withdrawal Quantity, and aggregate Daily Excess Withdrawal Quantity under the STS-L Contract.

6.2 Customer shall have the right to convert all or a portion of Customer's Daily Withdrawal Quantity specified in Customer's STS Contract to EMB Service provided that;

(a) Customer submits a written request to TCPL for such conversion;

(b) the applicable Storage Withdrawal Point and Market Point specified in Customer's STS Contract shall be the receipt and delivery point specified under the EMB Contract, respectively, and such points are eligible receipt and delivery points for EMB Service;

(c) all the availability conditions set out in Section 1 of the EMB Toll Schedule have been satisfied;

(d) TCPL determines it is able to accommodate the conversion to EMB Service;

(e) If Customer's STS Contract specifies a Storage Withdrawal Point located downstream of the Market Point, the Daily Withdrawal Quantity specified in such STS Contract shall be reduced by an amount equal to the Daily Withdrawal Quantity converted to EMB Service provided however, Customer's STS Daily Injection Quantity and Contract Demand shall not be reduced as a result of such conversion; and

(f) If Customer's STS Contract specifies a Storage Withdrawal Point located upstream of the Market Point, then the Daily Withdrawal Quantity, Daily Injection Quantity and Contract Demand specified in such STS Contact shall be reduced by an amount equal to the Daily Withdrawal Quantity converted to EMB service.

7. DEMAND CHARGE ADJUSTMENTS

7.1 If during any Day, TCPL fails to deliver the quantity of gas requested by Customer up to the applicable Contract Demand, for any reason related solely to TCPL's operations, including an event of force majeure occurring on any of the pipeline systems of TCPL and Other Pipelines, then the monthly demand charge shall be reduced by an amount equal to the applicable Daily Demand Toll multiplied by the difference between the quantity of gas which TCPL actually delivered to Customer on such Day, and the quantity of gas which such Customer in good faith nominated hereunder on such Day. If TCPL refuses to accept deliveries of Customer's gas or curtails receipts from or deliveries to Customer pursuant to Paragraph 8 (Energy Imbalance Recovery) of Section XXII of the General Terms and

Conditions, then there shall be no corresponding reduction in the monthly demand charge to Customer. Provided however:

a) If the Market Point is downstream of the Storage Injection Point, and if on such Day Customer's Cumulative Storage Balance is not greater than zero, or if such Day is within the summer period, then the reduction in the monthly demand charge for such Day shall be zero; and

b) If the Market Point is upstream of the Storage Injection Point, and if such Day is within the winter period, then the reduction in the monthly demand charge for such Day shall be zero.

7.2 For any day on which transportation service charges are adjusted pursuant to Section 7.1, the delivery pressure charge, the Union Dawn Receipt Point Surcharge, the Abandonment Charge and the Rate Rider Charge or Credit pursuant to Subsections 3.1(b), 3.1(c), 3.1(g) and 3.1(h) hereof shall also be adjusted.

The delivery pressure charge shall be reduced by an amount equal to the applicable Delivery Pressure Daily Demand Toll multiplied by the difference between the quantity of gas which TCPL actually delivered to Customer on such day and the quantity which such Customer in good faith nominated for delivery on such day.

The Union Dawn Receipt Point Surcharge shall be reduced by an amount equal to the applicable Union Dawn Receipt Point Daily Demand Toll multiplied by the difference between the quantity of gas which TCPL actually transported from the Union Dawn receipt point on such day and the quantity which such Customer in good faith nominated for transport on such day.

The Abandonment Charge shall be reduced by an amount equal to the applicable Daily Abandonment Surcharge multiplied by the difference between the quantity of gas which TCPL actually delivered to Customer on such Day, and the quantity of gas which such Customer in good faith nominated for delivery on such Day.

The Rate Rider Charge or Credit shall be adjusted by subtracting an amount equal to the applicable Daily Rate Rider multiplied by the difference between the quantity of gas which

TCPL actually delivered to Customer on such day, and the quantity of gas which such Customer in good faith nominated for delivery on such day.

8. MISCELLANEOUS PROVISIONS

8.1 The General Terms and Conditions and the List of Tolls of the Tariff as amended from time to time are applicable to this Toll Schedule and are hereby made a part hereof. If there is any conflict between the provisions of this Toll Schedule and the General Terms and Conditions, the provisions of this Toll Schedule shall prevail.

8.2 This Toll Schedule the List of Tolls and the General Terms and Conditions are subject to the provisions of the CER Act or any other legislation passed in amendment thereof or substitution therefor.